GENERAL
IDB.27/5
PBC.19/5
14 March 2003
ORIGINAL: ENGLISH

United Nations Industrial Development Organization

## Industrial Development Board

Twenty-seventh session
Vienna, 26-28 August 2003
Item 4 (i) of the provisional agenda

## Programme and Budget Committee

Nineteenth session
Vienna, 28-30 April 2003
Item 10 of the provisional agenda

# APPOINTMENT OF AN EXTERNAL AUDITOR

### Candidatures for the appointment of an External Auditor

Report by the Director-General

1. The General Conference, in its decision GC.9/Dec.16, decided to appoint the Auditor-General of South Africa as the External Auditor of UNIDO from 1 July 2002 to 30 June 2004.

2. General Conference decision GC.6/Dec.18 requests the Director-General to invite proposals from Member States for the appointment of an External Auditor and to submit such proposals to the Programme and Budget Committee for consideration. In compliance with that decision, a note verbale dated 20 January 2003 was sent to Member States in which they were invited to inform the Director-General by 19 February 2003 of their interest in providing the services of an External Auditor, with a view to submitting such proposals to the Programme and Budget Committee at its nineteenth session, to be held from 28 to 30 April 2003.

3. As of 19 February 2003, the following candidatures had been received for the appointment of an External Auditor:

| | |
|---|---|
| Mr. Rafael Antonio Padilla Morales and Mr. Juan B. Zamora, Jr. | Officials from the Office of the Controller-General of the Republic of Panama |
| Mr. Guillermo N. Carague | Chairman of the Philippine Commission on Audit |
| Mr. Shauket Fakie | Auditor-General of the Republic of South Africa |
| Mr. Ubaldo Nieto de Alba | President of the Court of Audit of Spain |

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

V.03-82033 (E)
Distr.: 24 March 2003

4. All candidates completed the standardized form "Proposal for appointment of External Auditor". The compilation of replies received will be brought to the attention of the Committee for its consideration in a conference room paper to be distributed prior to the session, thus facilitating the decision-making process.

5. An information note dated 25 February 2003 was circulated to Permanent Missions, together with copies of the relevant communications concerning the candidatures, which are also reproduced in the annex to the present document.

## ACTION REQUIRED OF THE COMMITTEE

6. The Committee may wish to propose to the Industrial Development Board that it recommend to the General Conference the appointment of one of the candidates as External Auditor for UNIDO for a period of two years beginning 1 July 2004. The appointment would fall under the terms of reference specified in article XI (and annex) of the Financial Regulations of UNIDO. The travel and other costs related to the work of the External Auditor are to be borne by the UNIDO regular budget for which a fixed fee, as approved in the programme and budgets, is foreseen.

**Annex**

## COMMUNICATIONS CONCERNING CANDIDATURES FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR BY 19 FEBRUARY 2003

### A. Communication concerning the candidature of Mr. Rafael Antonio Padilla Morales and Mr. Juan B. Zamora, Jr., officials from the Office of the Controller-General of the Republic of Panama

**Republic of Panama, Ministry of External Relations**
**Panama 4, Panama**

RA/007/2003

*NOTE VERBALE*

The Ministry of External Relations of the Republic of Panama, Directorate General for International Organizations and Conferences, presents its compliments to the honourable Director-General of the United Nations Industrial Development Organization (UNIDO) and, with reference to his note verbale No. CU 2003/5 of 20 January 2003, has the honour to submit the candidature of Mr. Rafael Antonio Padilla Morales and Mr. Juan B. Zamora, Jr., officials from the Office of the Controller-General of the Republic of Panama, for the post of External Auditor for a period of two years starting from 1 July 2004.

The professional histories and UNIDO nomination forms of the two candidates are attached.

The Ministry of External Relations of the Republic of Panama, Directorate General for International Organizations and Conferences, avails itself of this opportunity to renew to the Director-General of UNIDO the assurances of its highest consideration.

Panama, 18 February 2003

[*Initialled*]

[*Stamp of Directorate General for International Organizations and Conferences*]

Director-General
United Nations
Industrial Development Organization
Vienna

### B. Communication concerning the candidature of Mr. Guillermo N. Carague, Chairman of the Philippine Commission on Audit

No. VN-PH-79-2003

The Permanent Mission of the Republic of the Philippines presents its compliments to the United Nations Industrial Development Organization and has the honour to inform, with reference to Note No. CU 2003/5 dated 20 January 2003 regarding nominations to the post of External Auditor for the biennium 2004-2005, that the Philippines proposes to nominate the Philippine Commission on Audit headed by Chairman Guillermo N. Carague. This nomination has been endorsed by H.E. Blas F. Ople, Secretary of the Department of Foreign Affairs, copy of the endorsement letter attached to this note. Nomination papers have been sent directly to UNIDO by the Commission on Audit in compliance with the set deadline.

The Permanent Mission of the Republic of the Philippines avails itself of this opportunity to renew to the United Nations Industrial Development Organization the assurances of its highest consideration.

Vienna, 19 February 2003

[*Initialled*]

[*Stamp of the Embassy of the Philippines, Vienna, Austria*]

**Department of Foreign Affairs**

17 February 2003

H.E. Mr. Carlos Alfredo Magariños
Director-General
United Nations Industrial Development Organization
Vienna, Austria

Excellency,

I have the honour to inform you that the Philippine Government nominates the Commission on Audit to the post of External Auditor for the term 2004-2006 commencing on 1 July 2004.

The professionalism and experience of the Commission on Audit in international and multilateral auditing will greatly benefit the UNIDO in efficiently carrying out its mandate. I am confident that the Organization which you head will be more than satisfied with the work and performance of the auditors from the Commission on Audit.

Please accept, Excellency, the assurances of my highest consideration.

[*Signed*]

Blas F. Ople
Secretary of Foreign Affairs

2330 Roxas Blvd., Pasay City, Philippines,
Tel. No. 834-4000

**C. Communication concerning the candidature of Mr. Shauket Fakie, Auditor-General of the Republic of South Africa**

**South African Permanent Mission to the United Nations and International Organizations Vienna**

Sandgasse 33,
1190 Vienna
Tel.: 320 64 93
Fax: 320 64 93 51
e-mail: saembvie@aon.at
Web site: www.southafrican-embassy.at

Ref.: ML/1/UNIDO/3
AMB/ems

13 February 2003

The Permanent Mission of South Africa presents its compliments to the Director-General of the United Nations Industrial Development Organization (UNIDO) and, with reference to the Director-General's Note (Ref. CU 2003/5) of 20 January 2003, has the honour to submit the proposal for the reappointment of the Auditor-General of the Republic of South Africa, Mr. Shauket Fakie, as the external auditor to UNIDO for the two-year period commencing 1 July 2004.

This nomination bears the fullest support of the Ministry of Foreign Affairs and the Government of the Republic of South Africa, as Mr. Fakie has proved his ability to provide UNIDO with an excellent, independent external audit. Mr. Fakie's reappointment for a second term of office will best serve the organization through the benefits gained from carrying through some of the initiatives being pursued in the current appointment.

The completed required proposal document is respectfully submitted herewith for consideration by the Programme and Budget Committee at its nineteenth session in April 2003.

The Permanent Mission of South Africa avails itself of this opportunity to renew to the Director-General of the United Nations Industrial Development Organization the assurances of its highest consideration.

[*Initialled*]

[*Stamp of the South African Embassy, Vienna*]

The Director-General
UNIDO
P.O. Box 300
1400 Vienna

**D. Communication concerning the candidature of Mr. Ubaldo Nieto de Alba, President of the Court of Audit of Spain**

**Permanent Mission of Spain to the International Organizations in Vienna**

ONUDI/6/2003

The Permanent Mission of Spain to the International Organizations in Vienna presents its compliments to the United Nations Industrial Development Organization (UNIDO) and, with reference to its note No. CU 2003/5 of 20 January 2003, has the honour to submit the candidature of the President of the Court of Audit of Spain, Mr. Ubaldo Nieto de Alba, for the post of External Auditor of UNIDO for a two-year period starting from 1 July 2004. The required documentation is attached to this note verbale.

The candidate, as President of the Court of Audit of Spain—the supreme institution in its field, recognized in the Spanish Constitution, which guarantees its independence—has the highest level of professional competence and, in addition, substantial experience of auditing international organizations. Under the Presidency of Mr. Ubaldo Nieto, the Court has had experience with, inter alia, the European Fighter Aircraft (EFA) programme (North Atlantic Treaty Organization EFA Development Production and Logistics Management Agency—NEFMA), the European Molecular Biology Laboratory, the Western European Union (WEU) and, since 1997, the European Organization for Nuclear Research (CERN).

The activities undertaken have earned the President of the Court of Audit a high level of prestige in Spain and well-deserved international recognition. He currently occupies the post of Secretary General of the European Organization of Supreme Audit Institutions (EUROSAI), whose permanent Secretariat is based at the Court of Audit. The Court is closely involved in cooperation among national supreme audit institutions and is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS).

The Court plays an important role in cooperation to strengthen national audit systems in developing countries and countries with economies in transition, in Ibero-America and central and eastern European countries.

The President of the Court of Audit would bring to UNIDO expertise specifically suited to the Organization's needs, since the Court's audit system is fully consistent with international rules and accepted auditing principles and makes full use of best practices. In particular, he would bring suitable experience for constructive dialogue within the institution being audited, in accordance with UNIDO requirements, because the procedure followed in UNIDO is the same as that used by the Court of Audit in conformity with Spanish law.

The President of the Court of Audit can offer, as required by UNIDO, an approach to the auditing of the Organization that is of high technical and professional quality. In order to perform his functions, he would draw on the expertise of a top-level team that specializes in international organizations and is highly cost-effective.

The activities carried out by Mr. Ubaldo Nieto as President of the Court of Audit place him in an ideal position to make a beneficial contribution to UNIDO. His candidature enjoys the full support and absolute confidence of the Government of Spain.

The Permanent Mission of Spain avails itself of this opportunity to renew to the United Nations Industrial Development Organization the assurances of its highest consideration.

[*Initialled*]

[*Stamp of the Permanent Mission of Spain to the International Organizations in Vienna*]

Vienna, 18 February 2003

United Nations
Industrial Development Organization
Vienna